



Contra Investing

When News Gets Worse, Prices Get Better

How difficult markets create opportunities for long-term wealth creation.

OCTOBER 2026

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The Great Investment Paradox

Good news does not always mean good investment chances.

Good News → Higher Prices

- Strong economy, growing profits
- Optimism is already built into prices
- Prices are high compared to real value
- Investors feel **most comfortable**

Bad News → Possibly Lower Prices

- Uncertainty creates fear
- Fear leads to selling
- Prices fall below fair value
- Investors feel **most uneasy**

📄 Our goal: spot value when others only see uncertainty.

From Growth to Uncertainty

Two Years Ago

Very Hopeful

Strong profits, bright future, high prices, many investors.

Today

Very Unsure

Uncertainty is shaping every market move.

1

Trade fights

2

Wars in Russia-Ukraine and Middle East

3

Oil swings and weaker rupee

4

Foreign investors selling

5

Stocks down sharply

30%–60%

Many stocks fell

⚠ Did companies become 30–60% weaker, or did prices fall further than they should have?



History Has Shown Us This Chance Before

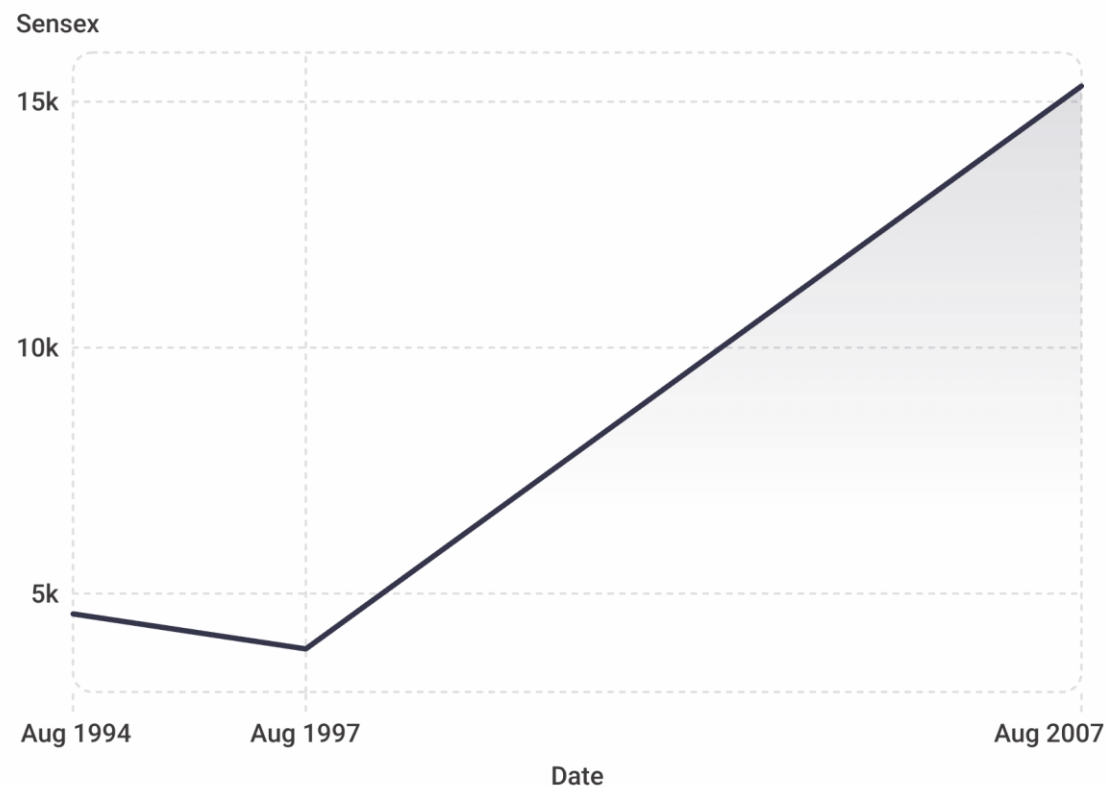
Three separate periods. Each one had three years of letdowns. Then came a decade of strong gains.

1	2	3
1994–1997 36 months of political doubt, high interest rates, flat markets, and the start of the Asian financial crisis.	2000–2003 36 months of the dot-com crash, falling investor trust, the September 2001 attacks, and tension between countries.	2010–2013 36 months of high oil prices, a weaker currency, slow growth, and deep disappointment with stock returns.

Every crisis has its own cause. But the link between fear, low prices, and future gains stays much the same.

August 1994 – August 1997

Three Hard Years, Then a Decade of Strong Growth



Hard Period

Aug 1994 → Aug 1997
Sensex: 4,588 → 3,876
Fell 15.5%

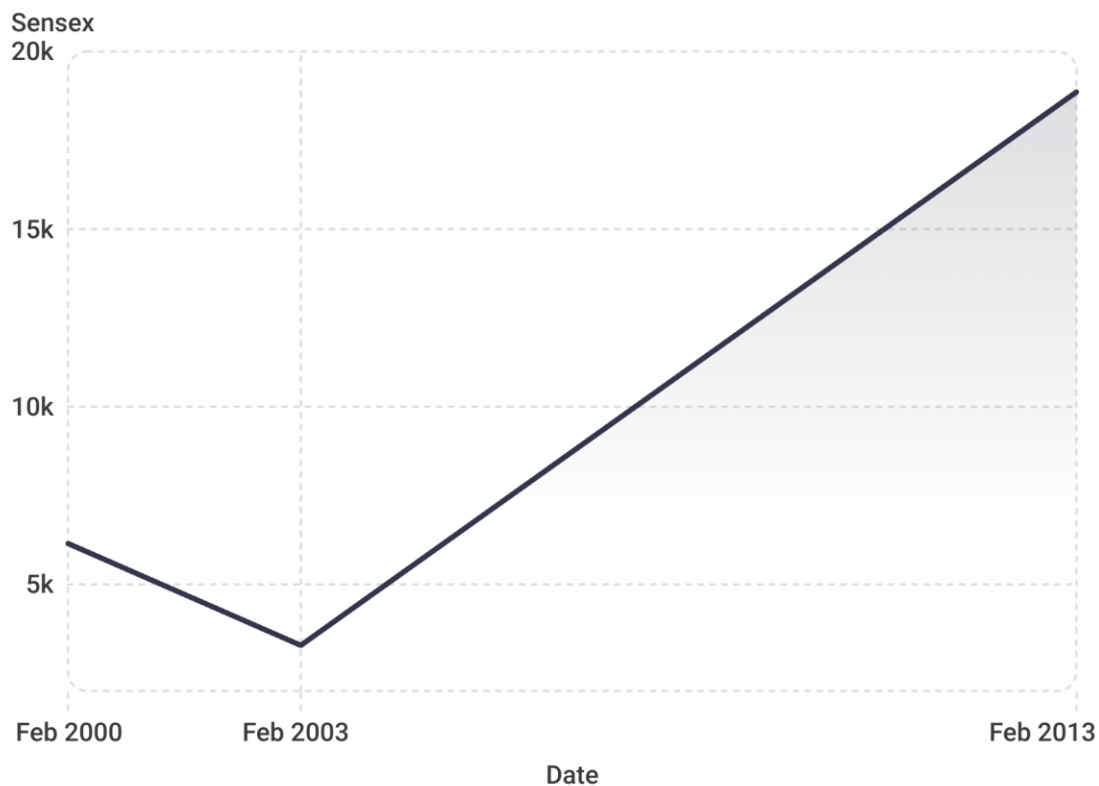
Next 10 Years

Aug 1997 → Aug 2007
Sensex: 3,876 → 15,319
Grew about 14.7% a year

📄 ₹1 crore invested in August 1997 grew to **₹3.95 crore** by August 2007. That included the dot-com crash too.

February 2000 – February 2003

When Internet Stock Prices Crashed



Hard Time

Feb 2000 → Feb 2003
Sensex: 6,151 → 3,284
-46.6%

The Next 10 Years

Feb 2003 → Feb 2013
Sensex: 3,284 → 18,862
19.1% yearly growth

📄 ₹1 crore invested in February 2003 grew to **₹5.74 crore** by February 2013. The news was at its worst when the chance to earn was greatest.

December 2010 – December 2013

When Three Years of Waiting Brought Almost No Gain



Slow Period

Dec 2010 → Dec 2013
Sensex: 20,509 → 21,171
+3.2% total / about 1% a year

Next Ten Years

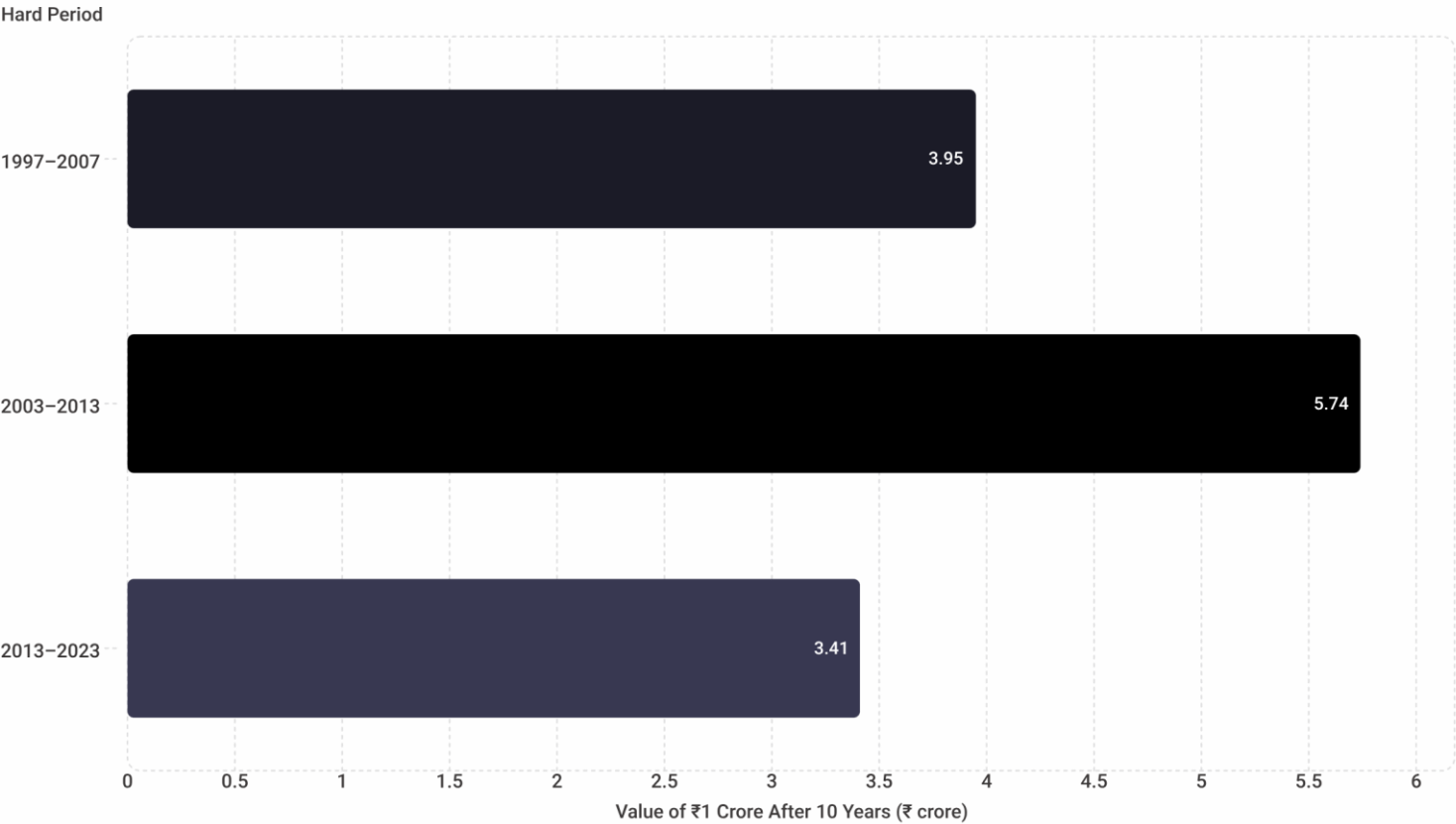
Dec 2013 → Dec 2023
Sensex: 21,171 → 72,240
13.1% yearly growth

📄 ₹1 crore invested in December 2013 grew to **₹3.41 crore** by December 2023. A low stock price does not always mean a weak business.

Every Time Markets Looked Bad, Patient Investors Won

₹1 crore became ₹3.4 to ₹5.7 crore in the 10 years after each hard period.

Hard Period	Market Fell/Rose	Yearly Growth After	₹1 Crore Became
Aug 1994 – Aug 1997	-15.5%	14.7%	₹3.95 crore
Feb 2000 – Feb 2003	-46.6%	19.1%	₹5.74 crore
Dec 2010 – Dec 2013	+3.2%	13.1%	₹3.41 crore



These returns use past Sensex price levels. The February 2000 figure uses the highest price that day. Other figures use the price at the end of each month. We measured ten-year growth from the end of each hard period. Dividends, taxes, and costs are not included.

September 2024 till Today: Two Years of Going Nowhere

The Sensex hit a record high, then fell about 15%. Many stocks fell much more.



Sep 2024

Sensex closed at 85,836 (record close at that time)

Dec 2025

New peak of 86,159

Today (Oct 2026)

Around 72,800. That is about 15% below the peak.

Reasons: war in West Asia, high oil prices, foreign investors selling, rupee weakness.

So, What Next?

Will we wait for good news — or look for value while others are afraid?

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Source: BSE Sensex levels, published market reports, as of 14 Oct 2026. Past performance is not indicative of future returns.

Fear Is Temporary. Good Businesses Last.

Your goals do not stop when markets fall — so keep going.

Buy only good businesses

Strong Finances

Little debt and steady cash flow

Good Leaders

Honest and capable, even in hard times

Fair Prices

Not too expensive, even after the hype

Long-Term View

Stay invested through slow markets

Bad news → Lower prices → Better future returns.

But only if we buy good businesses.

Investments are subject to market risks. Past performance is not indicative of future returns. This is for informational purposes only and does not constitute investment advice. Consult your financial adviser and review the PPM or Disclosure Document before investing.

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